

# TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman  
Lynn Greer, Director  
Melvin Malone, Director



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August 9, 2000

Mr. William L. Taylor, Jr., Esq.  
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**Re: Application of Chattanooga Gas Company for Approval of Negotiated  
Contract with E. I. DuPont de Nemours Company**

**Docket No. 99-00908**

Dear Mr. Taylor:

This is in response to your letter of July 24, 2000, in which you inquire about the Authority's July 18, 2000 Order in this docket. As you point out, the Order discusses at some length the recovery of margin losses from the Negotiated Contract with DuPont using an Interruptible Margin Credit Rider ("IMCR"), approved in Docket No. 97-00982, but the recovery of margin losses is not specifically referenced in the ordering clauses.

The IMCR was a prominent topic in the Directors' consideration of the Company's Application and is therefore given considerable attention in the body of the Order. The recovery of margin losses using the IMCR is specifically stated in the Application. Since the Application was approved in its entirety, there does not appear to be a need to make specific mention in the ordering clauses of the individual components of the Application, including the IMCR or the recovery of margin losses.

We hope that this explanation resolves your inquiry concerning the Order in this matter.

Sincerely yours,

David Waddell  
Executive Secretary

Original filed in Docket No. 99-00908